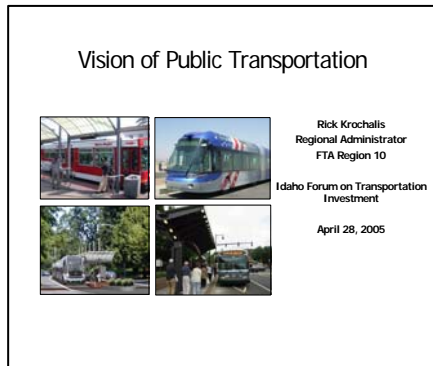


1



Richard (Rick) F. Krochalis is the Regional Administrator of the Federal Transit Administration's (FTA) Region 10 office in Seattle, Washington.



Thank you for inviting me to share a few comments on public transportation....and Welcome from my Boss, Jenna Dorn, FTA Administrator in Wash DC---she along with Mary Peters and Secretary Mineta are working hard on Reauthorization.

2

Today's Objectives

- Contribute to Idaho's Transportation Future
- Make the Business Case for Public Transportation
- Identify Gaps & Opportunities
- Review Next Steps

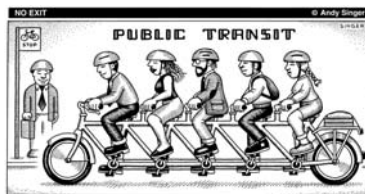
I am here today to help Idaho move forward and make some important strategic choices about transportation investments—my hope is that 25 years from now, the public will say that the people in this room, the Legislature, and citizens all over the state made some profound and positive decisions to shape how Idaho will develop over time!

I hope to offer some perspectives on public transit and make the case to you about the importance of more options for public transportation...but the choice is yours...and the topic has been repeatedly studied over the past decade...without much progress.

Finally, I will identify where there are some opportunities to improve your multi-modal transportation system. In preparing for this talk, I was wondering how tough of an audience you would be?and I want to acknowledge up front, that sometimes, public transportation has an image problem.

3

Make the Case for Public Transportation



It is not true that everyone who rides a bus ALSO rides a bike, or visa versa. Some of my best friends ride alone in their cars to work! In fact, for most of my professional career, I drove alone. While in the Navy, I had to work until the job got done, and with the City of Seattle, I had quite a few evening meetings.

When my daughters reached the age of maturity and got their driver's licenses, I wasn't going to buy two MORE cars, so I started to carpool more with my wife, and when the cost of parking rose to over \$175 a month and my new employer gave me a free bus pass, I then had more choices. So my goal is to try to make the case to you for public transit!

4

It's Expensive to Drive!



There is a new dynamic in the marketplace. Wow, how gas prices have skyrocketed!

Over a year ago, this trend was predicted by California's Governor Schwarzenegger's Secretary of EPA, Gary Tamien, who forecasted European style gas prices by the end of the decade... Well we have way to go, but CA prices are over \$3 for high test. His rationale was not supply of mid-east oil per se, but limitation of new oil refineries in the USA coupled with high demand from new marketplaces like China.

I even heard that Pres Bush was considering whether in the current round of base closures (good luck on Mountain Home AFB), there may be some requirements to accommodate new oil refineries on coastal bases slated for closure.

5

Citizens Want More Choices!



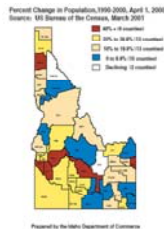
I picked up this photo from a Congestion Management Report from the Community Planning Organization of SW Idaho –COMPASS....

Citizen surveys in Idaho have revealed public interest in more choices in their daily commuting patterns.

Some of the investments that the State has identified will help on the bottlenecks and choke points, but for every person on a bus or in a carpool, there is one less car out there.

6

Idaho is Growing!



Additionally, I guess congratulations are in order. Idaho ranks FOURTH in the Nation for population growth based on estimates by the Census Bureau.

Idaho's total population grew 1.9% during the 12 months through June 2004 -- coming close to the 1.4 Million mark. Only Nevada, Arizona and Florida posted higher growth rates during that period.

All of you have traveled to those states and what do you think of their development patterns, especially on the edge between rural and expanding cities?

Oregon came to some conclusions 25 years ago on how to channel their growth and maintain their rural areas, and WA state finally passed their version of a Growth Management Act in 1990—with very positive results over the past decade of maintaining the rural community identity where desired and fostering development in their cities. All of which points to the need to take a serious look at where in the state, more investments in public transportation make sense—RED Counties and maybe even those yellow regions!

7

Your Grandmother Will Thank you!



Another reason for supporting public transportation is the aging of our population. They really need more options to be able to not only get to medical appointments, but to stay ACTIVE and contributing members of their family and community.

Let me tell you about something that happened to me just this week as I was preparing my remarks for you. I spent most of the week in Meridian and Boise, conducting the first ever planning certification review for COMPASS. We held a public hearing to listen to the public and invited their written comments.

I really think public transportation does offer those transit dependent populations -- the young who don't drive, seniors who may not want to drive, and parents with more kids than cars, another choice.

Dave Ekern has done an incredible job in his first couple of years in this State. One of the first things he did, was to commission an extensive survey on transportation as part of the development of Idaho's Transportation Vision for the Future -- Getting There Together---a 30 year plan to prepare this state for the growth that will occur.

I will hit the high points on what the public said about transit and candid assessments along with some clear support for more transit investments—STATEWIDE, not just in the urban areas.

8

The Public Has Spoken!

- ITD Public Opinion Survey, February '03
- 600 Person Random Telephone Survey
- 100 in Each Transportation District
- Most Comprehensive Transportation Survey Ever Conducted in Idaho
- Extensive Data and Results

9

Idaho's Survey Results on Transit

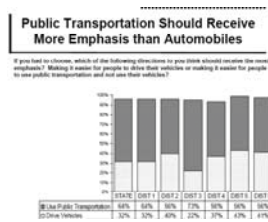
- Public Transportation is seen as a significant weakness in ID
- Causes of Transportation Problems:
 - Lack of options (61%)
 - Insufficient Public Transportation (58%)
 - Number of New Residents (57%)
 - Using Public Transportation "very difficult" (47%) or "difficult" (22%)

The people who were surveyed—didn't hold back—they believed that public transportation has been shortchanged in Idaho.

They also believe that the cause of transportation problems statewide is the lack of options, population growth, and insufficient public transportation.

10

More Survey Results...

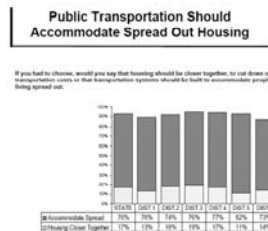


Survey results are always dependent on how you ask the question, so let me read you some of the questions..

“If you had to choose, which of the following directions do you think should receive the most emphasis? Making it easier for people to drive their vehicles or making it easier for people to use public transportation and not use their vehicles?”

The average was 64% statewide and every region scored over 55% to increase public transportation investments. That is not meant to exclude roadway investments, but place greater emphasis on other modes. There appears to be widespread support for some additional investments in public transportation!

One More Survey Finding....



To be fair, this same survey population had some restrictions - the need to accommodate the lifestyle of their respective communities. And any transit operator will tell you, the more spread out their customers are, the greater the challenges to efficiencies and lower cost.

There are numerous solutions -- park and ride lots are popular everywhere. People drive to these lots or get dropped off and then the transit agencies can focus their attention on selected pick up points. Or getting the design of subdivisions to be more connected to a street grid rather than random patterned web of cul-de-sacs.

12



Principles:

- Mobility for all users
- Compatibility with the environment
- Preservation of community assets
- Flexibility & Responsiveness

Priorities:

- Integrate the transportation system
- Support quality of life
- Provide flexible funding
- Integrate land use & transportation
- Support choices for all

The survey was one of the ways, ITD gained input to prepare their vision of Idaho's Future Transportation System---a System that will follow principles and priorities as noted. FTA can certainly support these objectives---and I hope that at least some of you believe I have articulated the reasonable rational that public transportation is clearly a part of that future.

13

Vision of Public Transportation

- Provides High Quality Customer Service
- Responds to the Community's Special Needs
- Makes Appropriate Use of Technology
- Uses Public/Private/Non-profit Partnerships
- Is Financially Accountable
- Supported by the Public & Elected Officials

Now I would like to briefly offer some of my perspectives and vision of public transportation. First and foremost—the quality of service must be present—clean buses, courteous drivers, convenient routes—AND frequency of service, which as I understand is very limited in Idaho. One size does not fit all -rural providers have more customized service - elderly and persons with disabilities require special treatment and urban areas must emphasize commuting patterns.

The technology for transportation is expanding - with websites that offer trip planning and schedules, priority signals for buses at congested intersections, hybrid buses, computerized scheduling to coordinate human services transportation trips, etc.

14

The Benefits of Transit

- ◆ Increased mobility
- ◆ Economic development
- ◆ Access to jobs
- ◆ Access to community services
- ◆ Cleaner air and cleaner water

But none are possible unless people RIDE.

Partnerships must be a part of any transit agencies success and the business community and nonprofits can play a big role in supporting and financing services. Efficiency and financial accountability are certainly expected by any agency receiving FTA funds. If your agency meets these tests, then the public & elected officials will support your program

15

Rural Community Ridership

City	Population	Annual Ridership
Pocatello	62,498	489,744
Idaho Falls	66,973	68,540
Centralia, WA	21,970	255,450
Albany, OR	42,280	130,316*
Island Co, WA	72,400	518,650

Pocatello is certainly a success story for Idaho in what Ron Bingelli and his staff have been able to accomplish, using a variety of partnerships in a multi-county region and receiving a coveted FTA technology grant - the only one in the state.

Other rural transit agencies in Idaho are struggling to operate a system, with limited revenue and limited ridership. Many of these agencies have difficulty meeting the FTA local 50% match for operation funds. It doesn't have to be that way. Oregon, Washington, and Alaska all are financing a public transportation program. Island Transit charges no fares, but uses a 6-cent sales tax as their principle revenue source along with FTA grants.

16

Urban Transit Ridership

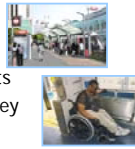
City	Population (2000)	Ridership
Boise	272,625	1,159,736
Anchorage, AK	260,283	3,600.00
Boulder, CO	291,288	6,500,000
Spokane, WA	334,858	8,060,600

The disparity between a thriving transit agency and one that is struggling to provide the service hours and convenient routes is even more apparent when you look at the ridership for urban areas. I purposely kept to the small to medium size cities.

Ridership: Basic Business Principles

17

- ◆ Service Hours
- ◆ Marketing
- ◆ Customer Improvements
- ◆ Take People Where They Want to Go



Another topic which deserves consideration is that President Bush signed an executive order last year that directed about a dozen federal agencies to coordinate their respective programs for human services transportation.

18

Coordination Challenges!

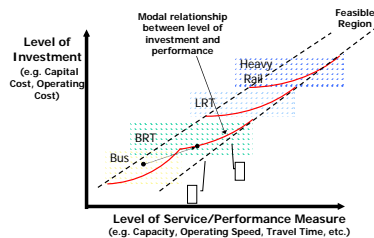


At the local level, this map illustrates the duplication of services and routes in Sioux Falls between seven providers of human services transportation. Pocatello Regional Transit has been very successful in coordinating their ridership, although there are some new private providers that are taking away Ron's customers (and revenue).

All I can say is that many states have required Medicaid brokers to save money, serve more clients, and be more efficient. Idaho should look into this option as well.

19

Illustrative Cost-Benefit Comparison of Transit Modes



This chart is an illustrative comparison of BRT and other transit modes in terms of the level of investment required and the level of service provided. The tradeoff between level of service (be it capacity, operating speed, or travel time) and costs (both capital and operating) is fundamental in public transportation.

The dashed blue lines form a region between costs and benefits. The objective is to help communities define this boundary of feasibility. The red curves then represent general relationships between the level of investment and performance of each mode. The curves may represent complex functions and be unique to the local conditions and the characteristics of the transportation corridor being analyzed.

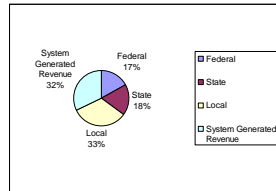
Los Angeles compared conventional bus services with the Metro Rapid corridors. Metro Rapid was able to significantly improve the level of service with relatively modest capital investments in facilities, vehicles, and ITS technologies such as signal preference.

We encourage grantees to thoroughly examine their alternatives for investment to respond to growth patterns—each community is different—and FTA wants to see cost effective decisions on which mode best suits each region.

20

US Transit Revenue Sources

US DOT 2002 Conditions & Performance Report



There had to be a bottom line to my presentation, and here is the tough NEWS. Nationwide, there is a breakdown of the sources of revenue for public transit agencies. Idaho has placed severe restrictions on the operations of transit agencies by not providing any state funding support and not allowing any local option taxes that would provide a dedicated source of revenue.

Fare box recovery averages 32%--and is lower in many small operations.

21

FY 05 FTA Funding for Idaho

Total (w/o bi-state \$)	\$12.1 M
Rural Formula to ITD	\$1.9 M
Elderly/Disabled to ITD	\$ 471 K
Capital Investment (Bus)	\$3.4 M
Urban Area Formula >200K in population	\$2.3 M
Urban Area Formula < 200 K	\$3.4 M

FTA funding is limited, although we would like to provide MORE and there is some hope that Reauthorization will offer more RURAL funding and planning funds along with the six year fenced funds for capital investments.

22



I know that "Transportation" is difficult for many legislators to talk about, and I wanted to use humor to say—that you get what you pay for. You also don't get what you don't pay for!

I certainly can't make these choices for Idaho, but one of the objectives of this Investment Forum is to come up with innovative financing sources.

23

Idaho Passed Garvey...What are the Next Mobility Investments?



- ✧ Local Choices
- ✧ Partnerships
- ✧ Stay Ahead of Congestion
- ✧ Idaho Vision for Quality of Life
- ✧ Leadership & Courage

The GARVEE bond legislation was certainly one bright spot to increase cash flow for road investment. Choices are difficult and costly, but a compelling need is to preserve Idaho's quality of life and accommodate the growth that is coming to this State.

Please visit our web site at

www.fha.dod.gov

Please contact us: 206-220-7954

Rick Krochalis, Regional Administrator

Linda Gehrke, Deputy Regional Administrator

Here's an example of an unlikely alliance. Arcadia National Park wanted to be responsive to tourists and the National Park Service was concerned that automobiles are creating severe air pollution problems in our most heavily used national historic parks areas. LL Bean and the Friends of Arcadia, a non profit, now provide a very successful transit service -- how about that for a partnership!

Thank you for inviting me to speak today and good luck in your future decisions.